

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN**

UNITED STATES OF AMERICA	§	Claim No: 1999A17405
	§	
vs.	§	
	§	
Valerie Y. Fordham		

COMPLAINT

TO THE HONORABLE UNITED STATES DISTRICT COURT JUDGE:

The United States of America, plaintiff, alleges that:

Jurisdiction

1. This Court has jurisdiction over the subject matter of this action pursuant to Article III, Section 2, U.S. Constitution and 28 U.S.C. § 1345.

Venue

2. The defendant is a resident of Genesee County, Michigan within the jurisdiction of this Court and may be served with service of process at 2323 Barth Street, Flint, Michigan 48504.

The Debt

3. The debt owed the USA is as follows:

A. Current Principal (<i>after application of all prior payments, credits, and offsets</i>)	\$2,505.44
B. Current Capitalized Interest Balance and Accrued Interest	\$4,208.04
C. Administrative Fee, Costs, Penalties	\$0.00
D. Credits previously applied (<i>Debtor payments, credits, and offsets</i>)	\$0.00

E. Attorneys fees	\$0.00
Total Owed	\$6,713.48

The Certificate of Indebtedness, attached as Exhibit A", shows the total owed excluding attorney's fees and CIF charges. The principal balance and the interest balance shown on the Certificate of Indebtedness is correct as of the date of the Certificate of Indebtedness after application of all prior payments, credits, and offsets. Prejudgment interest accrues at the rate of 8.000% per annum.

Failure to Pay

4. Demand has been made upon the defendant for payment of the indebtedness, and the defendant has neglected and refused to pay the same.

WHEREFORE, USA prays for judgment:

A. For the sums set forth in paragraph 3 above, plus prejudgment interest through the date of judgment, all administrative costs allowed by law, and post-judgment interest pursuant to 28 U.S.C. § 1961 that interest on the judgment be at the legal rate until paid in full;

B. For attorneys' fees to the extent allowed by law; and,

C. For such other relief which the Court deems proper.

Respectfully submitted,

By: s/Charles J. Holzman (P35625)
Holzman Corkery, PLLC
Attorneys for Plaintiff
Tamara Pearson (P56265)
28366 Franklin Road
Southfield, Michigan 48034
(248) 352-4340
usa@holzmanlaw.com

**U.S. DEPARTMENT OF EDUCATION
SAN FRANCISCO, CALIFORNIA**

CERTIFICATE OF INDEBTEDNESS

Name: VALERIE Y FORDHAM
AKA:

Address: 2512 WINONA

FLINT, MI 48504

SSN:

I certify that Department of Education records show that the borrower named above is indebted to the United States in the amount stated below plus additional interest from 10/22/98.

On or about 8/8/89, the borrower executed promissory note(s) to secure loan(s) of \$2,350.00 from FIRST AMERICAN SAVINGS INC., TUCSON, AZ. at 8.00% percent interest per annum. This loan obligation was guaranteed by NORTHSTAR GUARANTEE, INC. and then reinsured by the Department of Education under loan guaranty programs authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. 1071 et. seq. (34 C.F.R. Part 682). The holder demanded payment according to the terms of the note(s), and credited \$0.00 to the outstanding principal owed on the loan(s). The borrower defaulted on the obligation on 12/3/90, and the holder filed a claim on the guarantee.

Due to this default, the guaranty agency paid a claim in the amount of \$2,505.44 to the holder. The guarantor was then reimbursed for that claim payment by the Department under its reinsurance agreement. The guarantor attempted to collect the debt from the borrower. The guarantor was unable to collect the full amount due, and on 8/31/93, assigned its rights and title to the loan(s) to the Department.

Since assignment of the loan, the Department has received a total of \$0.00 in payments from all sources, including Treasury Department offsets, if any. After application of these payments, the borrower owes the United States the following:

Principal:	\$ 2,505.44
Interest:	\$ 1,431.55
Administrative/Collection Costs:	\$ 0.00
Late fees:	\$ 0.00
Total Debt as of 10/22/98 :	\$ 3,936.99

Interest accrues on the principal shown here at the rate of \$0.55 per day.

Pursuant to 28 USC §1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 10-26-98

Name: Janet Cummings
Title: Loan Analyst
Branch: Litigation

PROMISE TO PAY

Interest, Guarantee Fee, and Origination Fee rates are mentioned in the Promise to Pay on the front of this application/promissory note are:

INTEREST

I agree to pay an amount equivalent to simple interest (as specified in (4)) on the unpaid principal amount from the date of disbursement until the entire principal sum and accrued interest are paid off.

However, the U.S. Secretary of Education ("Secretary") will pay the interest that accrues on this loan prior to repayment status and during any deferment, if it is determined that I qualify to have payments made on my behalf under the regulations governing the Guaranteed Student Loan Program ("GSLP"). In the event that the interest on this loan is payable by the Secretary, neither lender nor other holder of this Note may attempt to collect this interest from me. I may, however, choose to pay this interest myself.

Once the repayment status begins I will be responsible for payment of all interest that accrues on this loan, except that if the interest accruing on this loan prior to the repayment period was payable by the Secretary, the Secretary will pay the interest that accrues during any period described in DEFERMENT in this Promissory Note.

The interest rate will be determined according to the following:

If I have an outstanding Guaranteed Student Loan (GSL) on the date I sign this Note, the applicable interest rate will be the same as the applicable interest rate on that loan.

If I am borrowing for a period of enrollment standing GSL(s), the applicable interest rate will be the same as the applicable interest rate on that loan.

If I am borrowing for a period of enrollment standing GSL(s) but I do have an outstanding Supplemental Loans for Students ("SLS") made in any Consolidation loan(s) which repaid to date, the applicable interest rate on this loan will be the same as the applicable interest rate on that loan.

If I am borrowing for a period of enrollment standing balance on any GSL, PLUS, or SLS made on or after a Consolidation loan(s) which repaid before that date, the applicable interest rate of my repayment status and will be 10% below the applicable interest rate.

Until the end of the fourth year of my repayment beginning with the fifth year of my repayment, I may also receive rebates of interest, if required, on the applicable interest rate is 10% below the applicable interest rate.

The lender or other holder of this note may receive (capitalization) of this loan in accordance with the Higher Education Assistance Foundation ("HEAF") policy and procedures.

I understand that if I am eligible for federal interest during the period I am in school on at least a half-time basis, and (c) during the time an interest rate is in effect.

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DEFERMENT

I understand that in certain circumstances, as authorized by the Act, the payments I am required to make, as described under Repayment, may be deferred. The instances currently authorized by the Act are described under Repayment in the HEAF application information booklet. To obtain such deferment, I agree to comply with the relevant federal regulations and the Rules and Regulations of the HEAF, including, without limitation, submission of required forms to the lender.

G. FORBEARANCE

If I am unable to repay this loan in accordance with the terms established under Repayment in this Note, I may request the lender to modify these terms. I understand that such modification would be at the lender's option and would have to be in compliance with the Act, federal regulations adopted under the Act and the Rules and Regulations of HEAF. I understand that a modification of repayment terms under this Section is different from Deferment (as described in this Note) and that during this period I will remain responsible for payment of interest, which the lender may (a) collect from me on a periodic basis or (b) add to the principal balance of this loan.

H. DEFAULT

1) Definition—I understand that under the Act, and HEAF Rules and Regulations, any of the following events is a default:

a. failing to make any installment payment when due, provided that this failure persists for 180 days for a loan repayable in monthly installments or 240 days for a loan repayable in less frequent installments;

of obtaining this loan; or
b. changing my permanent address;

c. changing my permanent address;

d. changing my permanent address;

e. changing my permanent address;

f. changing my permanent address;

g. changing my permanent address;

h. changing my permanent address;

i. changing my permanent address;

j. changing my permanent address;

k. changing my permanent address;

l. changing my permanent address;

m. changing my permanent address;

n. changing my permanent address;

o. changing my permanent address;

p. changing my permanent address;

q. changing my permanent address;

r. changing my permanent address;

s. changing my permanent address;

t. changing my permanent address;

u. changing my permanent address;

v. changing my permanent address;

w. changing my permanent address;

x. changing my permanent address;

y. changing my permanent address;

z. changing my permanent address;

aa. changing my permanent address;

ab. changing my permanent address;

ac. changing my permanent address;

ad. changing my permanent address;

ae. changing my permanent address;

af. changing my permanent address;

ag. changing my permanent address;

ah. changing my permanent address;

ai. changing my permanent address;

aj. changing my permanent address;

ak. changing my permanent address;

al. changing my permanent address;

am. changing my permanent address;

an. changing my permanent address;

AFFIX TO BACK OF PROMISSORY NOTE

Pay to the order of Higher Education Assistance Foundation ("HEAF") without recourse, provided, however, notwithstanding this indorsement without recourse, the undersigned hereby expressly:

1. Warrants that:

- no defense of any party is good against the undersigned; and
- the undersigned is not in default under the terms of that certain Lender Agreement for Guarantee of Student loans with Federal Reinsurance ("Lender Agreement") between it and HEAF, in accordance with which payment of the indebtedness evidenced by this instrument was guaranteed by HEAF.

2. Disclaims the implied warranty that it has no knowledge of any insolvency proceeding instituted with respect to the maker of this instrument and instead warrants that to the extent it has knowledge of any such proceeding it has disclosed the same to HEAF, but no other implied warranties are hereby disclaimed.

3. Acknowledges that:

- upon payment in full by HEAF of the claim submitted by the undersigned pursuant to the aforesaid Lender Agreement, HEAF will have discharged all of its obligations to the undersigned arising out of said Lender Agreement; and
- notwithstanding payment by HEAF of the undersigned's claim and acceptance by HEAF of transfer of this instrument in consideration thereof, HEAF has not waived any rights that it may have against the undersigned pursuant to the terms of the aforesaid Lender Agreement.

SIGNATURE	DATE
x Tracy Williams	6/18/91
TITLE	

F0025 10-87

I, the undersigned, certify that I am a borrower under the HEAF program and that I do not owe a refund to any Title IV aid program. I certify that if I am eligible to apply for a Pell Grant, that I have done so or that I have requested my institution to estimate my eligibility for a Pell Grant. I further certify I have read the materials explaining the federal guaranteed student loan program which have been provided to me and that I understand my responsibilities and my rights under that program.

SCHOOL CERTIFICATION

I hereby certify that the student named in Section A of this application is accepted for enrollment or is enrolled as at least a half-time student, and is making satisfactory progress in a program determined to be eligible for this loan program. I further certify that the student has been determined by this institution, under the regulations applicable to this loan program, to be eligible for the loan applied for. I further certify that based upon records available at this institution and due inquiry of the student, the student has satisfied the requirements under the Selective Service Act necessary to receive financial aid, is not in default on any loan made under any Title IV student assistance program identified in 34 CFR Part 668, and is not liable for any refund of any grant made under any student assistance program identified in 34 CFR Part 668. I further certify that this institution will comply with all applicable provisions of federal law and the rules, regulations, policies, and procedures of HEAF in the administration of this loan. The information provided in Sections A and B and this School Certification is true, complete, and correct to the best of my knowledge and belief.